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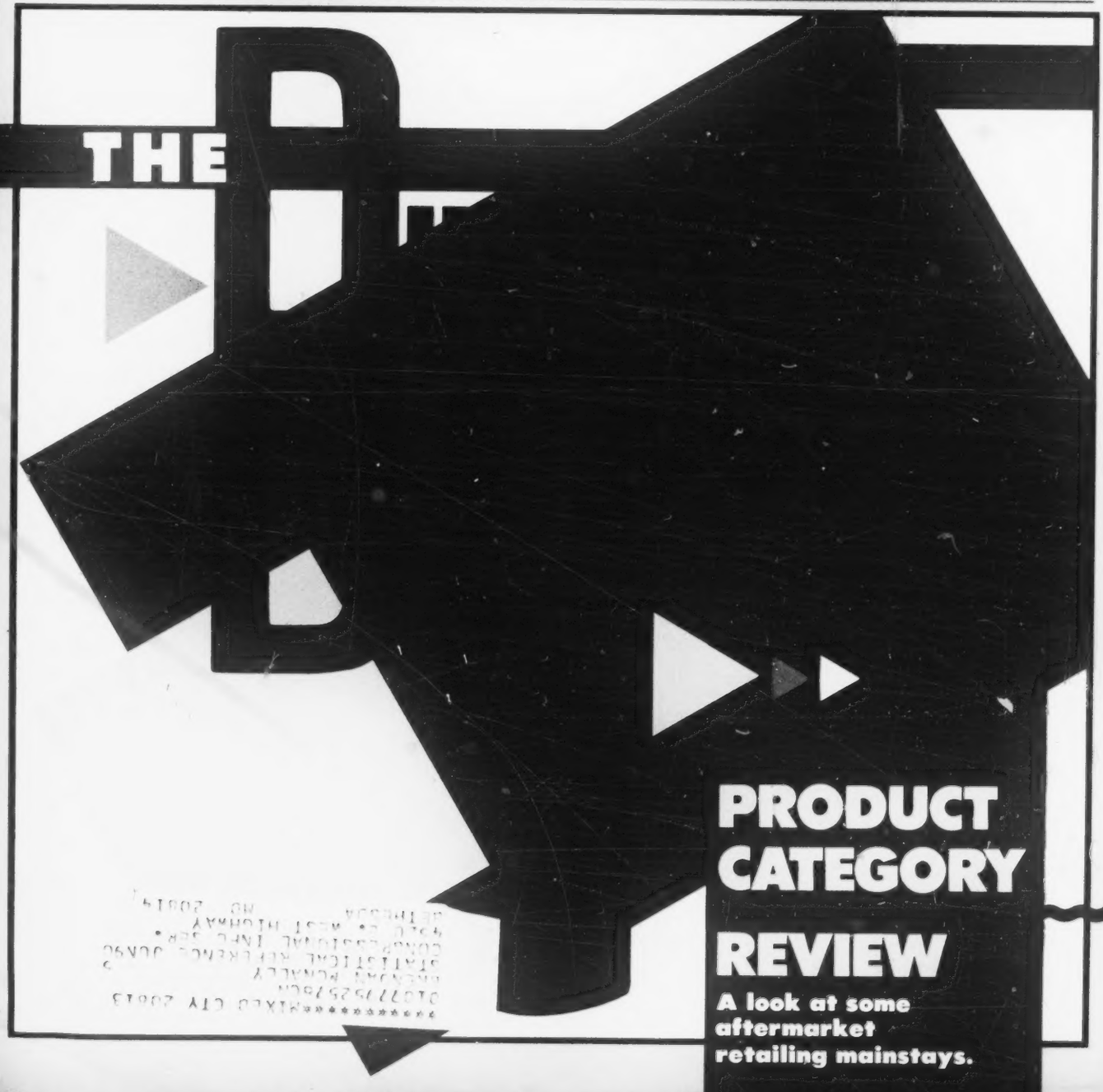

PRODUCT CATEGORY REVIEW

A look at some aftermarket retailing mainstays.

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PUBLISHER'S NOTES

PRODUCT TO SELL

It's all about selling products! Not only this edition of *AM*, but our entire work effort!

Whether we're calculating the return on investment for a change in our store offerings, or the deliveries and returns to our distribution centers, or our operation's return to our corporate bottom lines, we begin with products, and their sales.

This Buyers' Guide issue is entirely devoted to the products in our marketplace. Up front, on the rough paper flap, we start with our product focus, *AM's* mini-feature on "unsung hero" products which represent potential to our marketplace. This month: replacement bucket seats. Should you be selling these?

In our newsy Detailing The Market section, we preview some early APAA Show product news, and take a look at some product promotions, along with the latest industry happenings.

Then, our Product Category Reviews, a look at some product categories which are, or can be, mainstays in the retailing of parts, accessories, and chemicals.

Finally, our comprehensive listing of products and their suppliers in our Buyers' Guide section. It lists everything you ever wanted to stock in your stores—and some things you may not have thought of.

Send us your reactions to our issue, and your news, too. ■

Sarah J. Frankson
Group Publisher

DETAILING THE MARKET

IN-STORE FOCUS

Dene E. Billbe

Back in the mid-1950s, Robert "Bud" Rose was an automotive products buyer for a major hardware wholesaler headquartered in Minneapolis. Rose, thinking ahead of his time, wanted to expand its inventory to embrace the growing auto aftermarket. When the company refused, he struck out on his own, and on February 1, 1956, Champion Auto Stores Inc. was born.

At that time, according to executive vice president Dene Billbe, "There were very few outlets where the average auto enthusiast could buy parts and auto care items at a reasonable price."

Giving that enthusiast an opportunity to buy reasonably-priced goods was the idea behind Champion then, and it still is today. But the other premise behind this operation was that "an individual has a greater desire to succeed as an entrepreneur, and should be allowed to do so," Billbe said.

That's why Rose decided to franchise his business.

Champion did not become a turnkey operation overnight. Rose, who now serves as CEO of the 135-store chain, owned three Champion stores when, in 1961, he decided to "put feelers out" to see who might want to buy a franchise. He started advertising at the Champion booth in a small auto show – and got his first "feeler" immediately. The first franchise opened the same year in Osseo, MN. Today, there are 119 franchise stores, with more on the way. They serve a market area that covers Colorado, Iowa, Montana, Minnesota, Nebraska, North and South Dakota, Wisconsin, and Wyoming. Plans for penetration into a tenth state are "in the works," according to Billbe.

Although each store owner has a generous amount of autonomy, there is strong guidance from the corporate headquarters. Stores average about 3,500 sq. ft. Some 8,500 SKUs are packed into the average store, and in addition, 35 stores have service bays. One store has 11 bays, most have about three. According to Billbe, the service bays were the decision of the individual owners. "We've never emphasized our service in our advertising, because not all of our stores have it," he said.

Corporate "management tools" available to franchisees include a full accounting service, that will do tax returns and financial profiles, among other things; a pre-pricing program; management consulting; training for store owners, managers, and sales personnel through a training services division; planograms (the basic plan features 4-ft. gondolas or 4-ft. wall sections, "pasted together logically," according to Billbe); and an inventory control program; both manual *and* computerized, depending on the needs of the individual franchisees.

Franchise owners order their products from a 110,000 sq. ft. warehouse that contains 20,000 items. Most stores utilize the chain's computerized POS system; there is also a WATTS line to the customer service department for special orders. (The chain provides overnight delivery on those orders.)

The product mix is heavy on hard parts and accessories; somewhat lighter on chemicals. Billbe describes Champion's mix as a "very wide" variety. "We wanted to try to make sure we hade a wide selection to advertise," he explained. And it's in advertising and promotion, both in-store and out-of-store, where Champion truly shines.

A circular program is available to all franchisees – fairly standard equipment for a large chain, even though Billbe calls it the backbone of the advertising program.

Champion also has a subsidiary, called Casaa, a full-service advertising agency. Through Casaa, the chain has been able to use state-of-the-art videos to enhance its image.

Casaa runs a full-size production studio, where a trained certified mechanic acts as technical communications director. The result: "Car Care Seminar," a 30-minute television show, complete with commercials for Champion and its advertisers, that runs in six states on 14 different stations. Champion is not touted in the program itself, which is strictly how-to advice for DIYers. But all the advertising breaks are for Champion and the products it carries, an obvious plus for the chain.

Champion also utilizes videos for in-store employee training, including a full certification training program available for anyone who wants it. Each store also has a "video tech center" for customers, providing 150 different DIY segments to help consumers learn how to do a project – and to encourage sales in the stores as well.

DETAIL

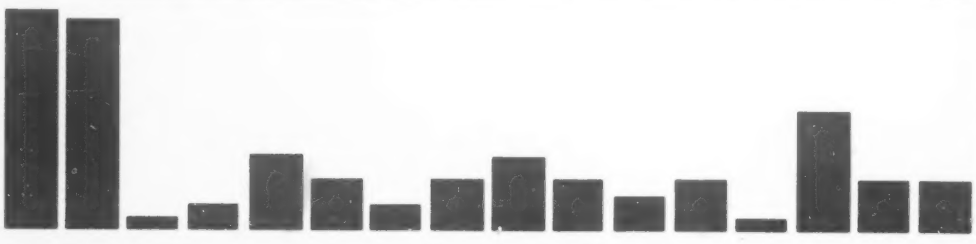
54%

of buyers of performance, appearance, or handling products believe that "made in the U.S.A." is a very important factor in selecting what they buy, according to the 1989 Specialty Equipment Market Association (SEMA) Market Study.

PROFILE: SHOCK ABSORBERS/STRUTS DIYers

Drawing from the 1989 *Automotive Marketing Consumer Automotive Repair Study*, we look at DIYers who purchased and installed shock absorbers/struts during the year prior to the study.

			Age					Income				Hours Per Month Spent On DIY			
Total	Male	Female	-25	25-34	35-44	45-54	55 +	-$20K	$20-30K	$30-40K	+ 40K	-1 Hrs	1-5 Hrs	6-10 Hrs	11 + Hrs
100.0%	96.2%	3.8%	12.2%	34.5%	19.9%	9.2%	24.2%	34.3%	22.6%	13.9%	20.3%	3.6%	54.6%	21.5%	20.4%



TIRE INFLATORS

Look for better-than-average sales among these easy-to-use products.

Maintenance chemicals . . . will experience above-average growth based on a large and aging vehicle stock, more convenient-to-use products and high new car prices (maintaining a good resale market)," says a recent automotive chemicals report issued by The Freedonia Group, Cleveland Heights, OH. In all, the report projects a growth of some 6.4% annually between now and 1991, with the market then being worth $2,455,000 annually in manufacturers' dollars.

38.3%

of DIYers who purchased & installed maintenance chemicals are heavy DIYers who work 11 or more hours a month on automotive DIY

Who's Buying

The best news for aftermarket retailers is that this market is almost completely a DIYer market. So, the retailer has to know who the average maintenance chemical DIYer is. According to the 1989 *Automotive Marketing Consumer Automotive Repairs Study (CARS)* (March 1989), the typical DIYer who purchased and installed maintenance chemicals was male, 25- to 34-years-old, made less than $20,000 in household income annually, and maintained two vehicles.

Most maintenance chemical purchasers and installers work one to five hours a month on automotive DIY. Almost three quarters of all of these DIYers bought appearance chemicals for a car, rather than a light truck, van, or utility vehicle.

Men most frequently buy maintenance chemicals in automotive parts stores, while women tend to split their purchases of these products between auto parts stores and discount stores.

"Price" is the reason most maintenance chemical purchasers and installers bought the product where they did. Many purchasers, however, simply went to a place that was convenient.

What They Buy

There are several different types of maintenance chemicals. The one thing they all have in common is that they are among the easiest-to-use automotive DIYer products available. They include:

- Tire Inflators. These come in aerosol cans that can be attached to a flat tire to pump it up. A can stored in a DIYer's car trunk can prevent a trip from being spoiled by a flat tire.
- Carburetor Cleaners. These are used to clean carburetors, choke valve shafts, and manifolds. Regular use by automotive maintainers will make engines run smoother and more efficiently. They come in both liquid and aerosol forms;

TIRE INFLATORS

liquid cleaners are poured directly into the gas tank, while spray cleaners are sprayed on carburetor exteriors to remove gun and sludge.

- Engine Degreasers. These remove dirt, grease, and oil from engine exteriors. They are growing in popularity because a clean engine is easier to work on than a dirty one. Engine degreasers come in both liquid and spray forms and in different strengths. DIYers who simply want to maintain a clean engine will want a moderately priced degreaser, while those who get their engine especially dirty because of recreational use or work will want a more expensive, harder-working degreaser.
- Penetrating Lubricants. These come in aerosol cans and are useful for a variety of functions, from lubricating moving parts to loosening bolts. Of all penetrating lubricants, the silicone spray has some of the best sales potential because of its many possible uses.
- Paint Removers. These are used to remove enamels, lacquers, urethanes, clear coat/base coat systems, varnish, and shellac from metal or other services. They come in a variety of types, including both liquids and aerosols. The aerosol cans are for the simpler DIY tasks, while industrial strengths are recommended for tougher jobs.
- Brake Cleaners. These are designed to dissolve and disperse brake fluid, grease, oil, and other deposits on the brake assembly. Most of them come as aerosols that are sprayed directly on the brake assembly.
- Glass Cleaners. These are used on glass and mirror surfaces and generally come in aerosol containers.
- Power Steering Sealers. Usually found in liquid form, these are added to power steering liquid both to seal leaks and to condition seals.
- Belt Dressings. Generally sold as aerosols, these are sprayed directly on the car's various belts to keep them flexible and from squealing and squeaking.

The maintenance chemicals section of your store contains some of your best-selling products. Get to know what they are, and you'll get your share of this growing market. ■

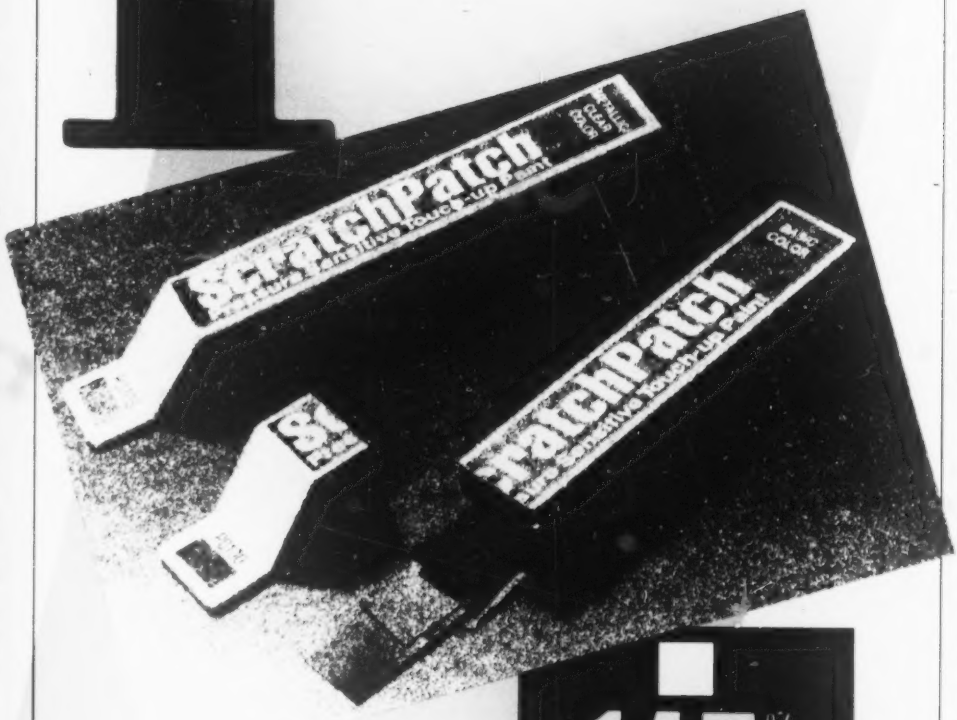
PAINT

New technology at both OE and aftermarket levels may help paint sales.

We've come a long way from the days when Henry Ford told Model T buyers they could have a Ford in any color they wanted, as long as it was black. Today Ford and the other OE manufacturers use as many as 50 different colors in any given year, although white almost always tops the color popularity list.

Along with more colors, putting the color on cars has also improved at the OE level. Manufacturers now use computer-controlled robots to paint their cars. Also, they've added a protective "clear coat" over the car's "color coat." Clear-coating uses ultra-violet screeners to protect the pigment and make the color more durable. Without clear-coating, such bright colors as red and yellow, which are sensitive to the sun, are quick to fade.

One result of clear-coating has been a change in wax and polish formulas. The abrasives used in older appearance chemicals scratch clear-coat paints and so suppliers now provide non-abrasive waxes and polishes for use on newer cars. The effects of clear coating on the paint aftermarket are still too new to measure since the great majority of aftermarket paints are sold for use on older cars. However, clear-coating may make it easier for the DIYer to match paints since clear-coated paints will fade less over the years.



14.7%

of DIYers who purchased & applied paint are heavy DIYers who work 11 or more hours a month on automotive DIY

Aftermarket Technology

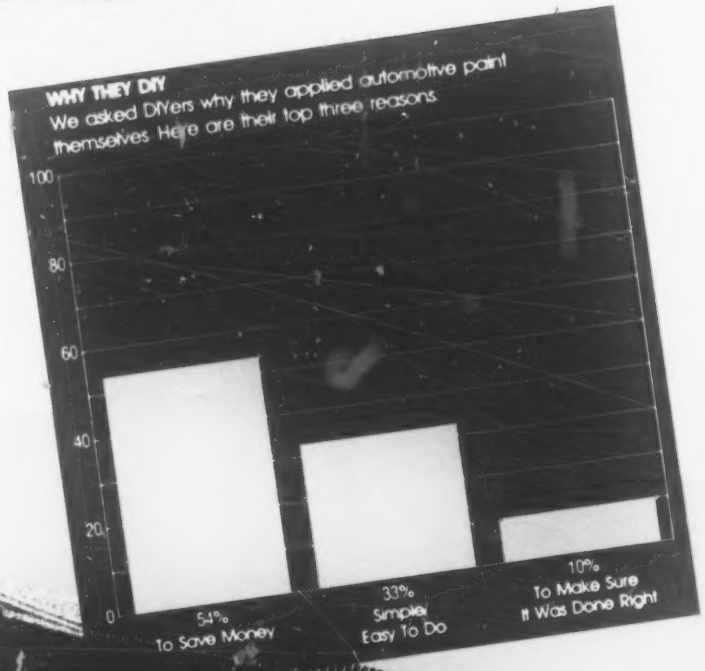
Along with OE advances in putting on the paint, aftermarket suppliers have have made enormous technological advances in repairing damage to a vehicle's paint. While no one has been able to make a major paint repair job easier, the aftermarket has taken great strides in simplifying small repairs.

Instead of spray paints, which require sanding, prepping, and priming, several suppliers now offer a dry paint film designed to fix small nicks and scrapes.

Developed, and first sold, in Germany by Vogelsong Holdings, the paint films are applied like a peel-off sticker and require no primer and no preparation. The patches come in about 120 colors that cover most domestic and major import colors, both metallic and basic shades.

The new paint films are sold in sheets with various sized and shaped patches to cover virtually any damaged area. The cost to the consumer is about the same as a spray can of paint.

PAINT



68.5%

of paint DIYers said they were very likely to do the job again.

The Paint DIYer

Although the new paint films should have a favorable impact on sales for smaller paint repairs, the old standby spray cans of paint will remain for larger area touch-ups and major repainting jobs. With the growing number of older cars on the road requiring repairs to the finish, paint sales should grow.

Spray cans of paint have always done well in automotive stores that make an effort to display and merchandise paint and body repair products. Along with paint, there are add-on sales from primers, rubbing compounds, color restorers, and paint strippers.

On our March 1989 *Consumer Automotive Repair Study (CARS)*, 17.8% of DIYers had purchased paint and 14.4% had applied the paint themselves in the past 12 months, a percentage that has remained reasonably constant on all our *CARS* studies.

The key to paint sales for the retailer is having the right color for the DIYer. Almost half (46.9%) of CARS DIYers said "product selection" (having the right color) was the reason they bought paint where they did. The second and third choices—location (18.3%) and price (15.6%)—were far less important to most DIYers. So a wide selection of colors can only help sales.

To show how important matching the color of a car is to paint sales, paint was one category where new car dealers had a good share of the DIY market. Some 18.2% of DIYers on our CARS study went back to the dealer, probably because they felt the dealer was more likely to have the exact hue for their car.

In fact, car dealers were the first choice of place to purchase for female paint DIYers. Males, on the other hand, favored automotive stores by a wide margin with 47.4% going to an auto store.

The great majority of paint DIYers, 54%, did the job themselves to save money. Anyone who's priced the repair of a nick or scratch at a professional shop can attest to that. DIYers also feel the job is easy to do and 33.3% gave that as a second reason for doing it themselves. More than two-thirds, 68.5%, of paint DIYers said they were very likely to do the job again, if necessary. ■

PRODUCT CATEGORY REVIEW

FLOOR MATS

Selling floor mats means selling more than basic floor coverings.

One item that seldom receives the attention it deserves—though it's a steady seller—is the floor mat, whether it's the ultra plush carpeted version or just the basic floor protector.

Retailers have three potential buyers for new floor mats. First, there's the new car buyer. For some strange reason, some OE manufacturers never made floor mats a part of the new car purchase. As a result, floor mats are often the first aftermarket purchase new car buyers make.

Best of all, few new car buyers (8%) buy them from new car dealers, according to the 1987 *Automotive Marketing Consumer Automotive Repair Study (CARS)*. However, this percentage may increase with the move by some OE manufacturers to open accessory shops in their new car showrooms.

Replacement Sales

The second buyer for floor mats is a replacement buyer. Even the quality floor mats manufactured today do not last forever. And, generally, the second owner of a car will buy a new set when he buys a used car. In addition, a new set of floor mats is one way to dress up a vehicle when it's about to be sold.

The third kind of buyer is the step-up purchaser, and is probably the most important kind of buyer today. Floor mats are not just a utility item any more. People used to buy mats only to protect the carpeted floor. But today, people are buying them for style and appearance. That means retailers get business from just about anyone wanting to improve the appearance of his or her vehicle, new or old.

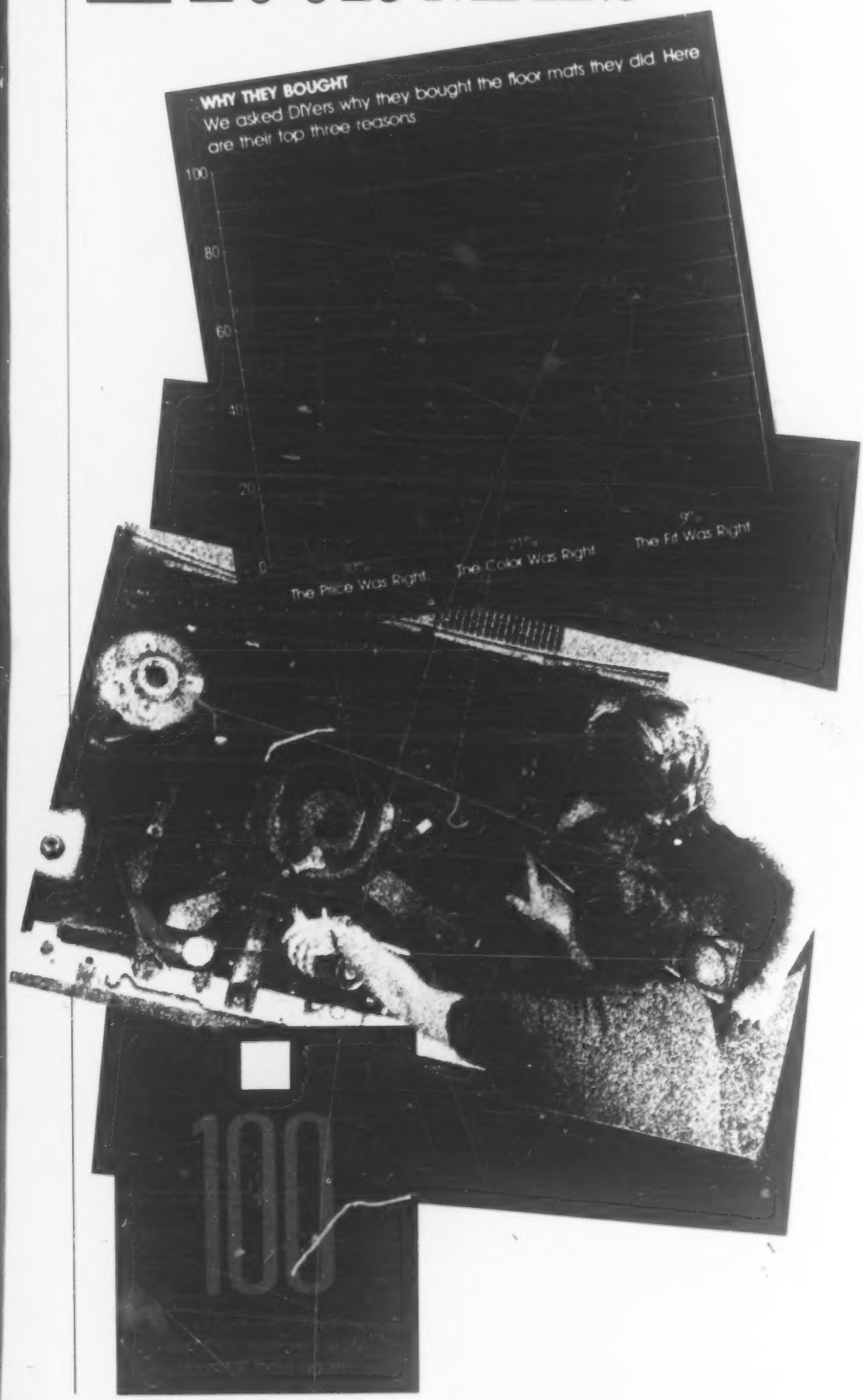
Floor mats come in what we might call good, better, and best configurations. At the good level are basic vinyl and rubber floor protectors that save the carpeting from the pounding and scuffing of shoes and boots. Such mats are usually sold in universal fit applications for front and rear. These are sold mainly to owners of older cars and people who use a light truck for work or heavy off-road duty.

Beyond The Basics

A step up from basic rubber mats are special all-weather varieties that are gaining popularity in colder climes and among truck owners for off-roading. These mats come with extra rubber and a very deep base that allows water or snow to drain down and collect in grooves so that pants

PRODUCT CATEGORY REVIEW

FLOOR MATS



and shoes do not sit in water.

Although the basic vinyl and rubber mats will always sell, and all-weather mats play a key role in Winter sales, today's car owners are moving away from the plain rubber types. OE carpets are more deep and plush, and as are the mats offered by car dealers. As a result, consumers are seeking carpeted varieties of floor mats that are thick pieces of carpet, in rich, bold colors, backed with durable, non-skid materials.

So at the better level there are carpets and plush carpets that are soft on the feet for folks with cars that seldom are mistreated. In addition, many of these mats are sold to fit car models exactly.

The Top Of The Line

At the best level are plush carpeted mats personalized with designs, car logos, and in some cases personalized names or logos. Buyers of top of the line floor mats seek fashion rather than utility, although good floor mats provide both.

The top of the line can mean really high profits. At this level, virtually any kind of material and any kind of style is available somewhere. And we mean anything: one California mail order firm offers mink floor mats in any color of mink. The mink mats can be cut to fit the car. For two front mats, the price is $4,000; if you want rear mats, the price is $7,000.

While most retailers can safely ignore mink floor mats, failing to provide for all three kinds of buyers in the floor mat category could be a big mistake. A good-sized display and wide selection of SKUs are the key to floor mat sales.

Displays Are The Key

Although price is still the leading reason for buying floor mats, according to our *CARS* study, displays also play a key role in buying decisions.

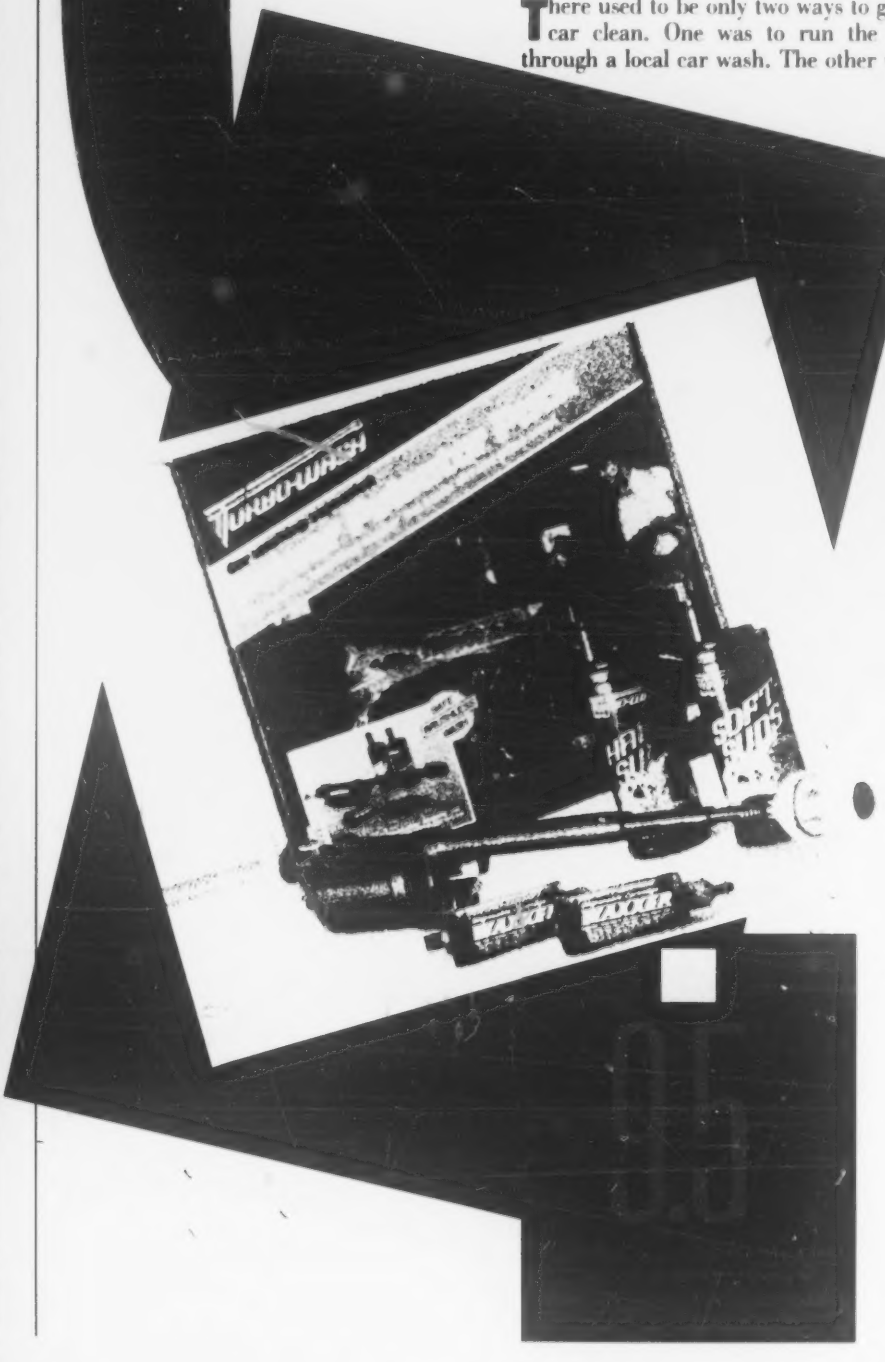
Being able to see that it was the right color for their car was the major reason 21.4% DIYers bought the floor mats they did. Another 6.4% simply liked the way the mats looked, and 8.9% saw a set that was the proper size.

Today's floor mats deserve to be displayed. If they are not organized and displayed well, it could mean a potential loss of some healthy profits. ■

CAR WASHING EQUIPMENT

PRODUCT CATEGORY REVIEW

The way cars are washed has changed. But the idea is still the same—to get the car clean.



There used to be only two ways to get a car clean. One was to run the car through a local car wash. The other way was to do-it-yourself at home, usually in the driveway on the weekend.

In the early 1980s, Americans spent millions at neighborhood car washes. But things have changed, and today the retail market for DIYer applied-car washes, waxes, and polishes is about $180 million.

Why The Change?

New car finishes have led many people to abandon professional, mechanized car washes. The stiff abrasive brushes used by assembly line car washes can scratch, mar, and otherwise damage these new finishes. Some car owners' manuals even warn against such car washes.

Some car washes have switched from stiff brushes to strips of cloth or other brushless methods. But some people believe these methods do little more than rinse off surface dirt.

Now, according to a national survey by the International Carwash Association, more than 45% of car owners prefer to wash their cars the old-fashioned way—by hand—themselves. Those polled said they do so because car washes are too expensive, do a poor job, or damage the finish on some cars.

But even in the driveway, technology has caught up with need.

New Car Washing Equipment

Today's DIY car washer has a full range of professional quality car washing equipment to choose from as well as specially formulated soaps to do the job with.

Power car washers that attach to the home garden hose are among the most popular of today's home car care products. These washers, when used with their specially formulated soaps, automatically mix the proper cleaning chemical with clean water. The DIYer simply sprays the mix onto his car. The same attachment is also used to rinse the car and to apply specially formulated waxes.

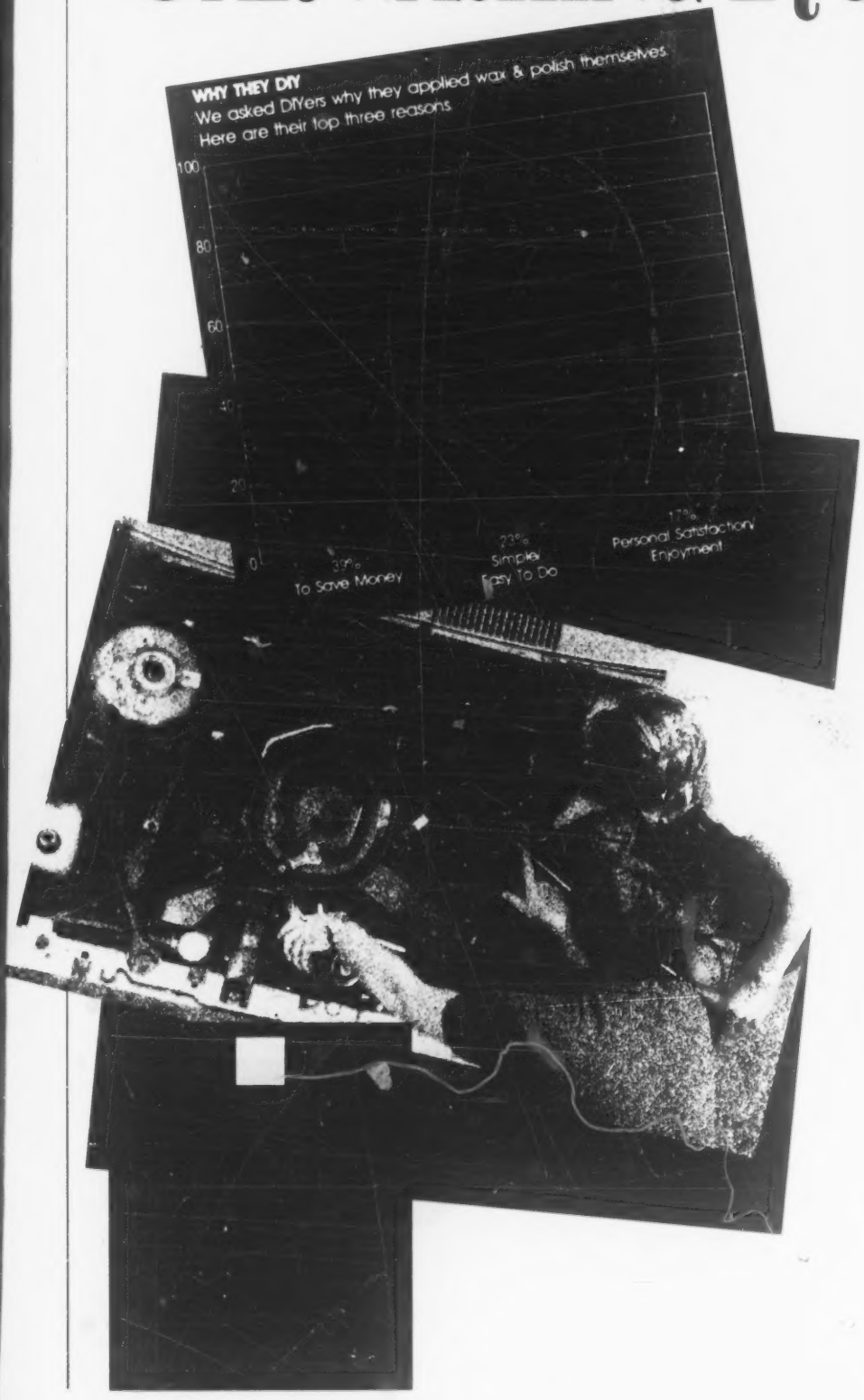
Who Buys?

While we have no "hard numbers" on DIY car washers, we can develop a profile by looking at DIYers who purchase and apply wax and polish. It is safe to assume that these DIYers washed their car before applying wax or polish.

Our 1989 *Consumer Automotive Repair Study (CARS)* reported that 73.1%

PRODUCT CATEGORY REVIEW

CAR WASHING EQUIPMENT



of wax and polish DIYers are male and 26.9% are female. Some 30.9% are between 25- to 34-years-old while 25.9% are 35- to 44-years-old. They are a well-heeled group with 29.9% having annual incomes of $40,000 or more. Most, 80.7%, spend between one to ten hours a month on DIY activities.

When it comes to buying wax and polish, 36.6% buy it at an automotive store, 46.9% buy it at department/discount store. Some 45.5% said they bought the product where they did because of price.

Why Wash A Car?

A car is a big investment for most people and keeping it clean eliminates a variety of exterior problems. For instance:

- Surface oxidation or weathering is a chemical breakdown of the paint film caused by exposure to the elements. Washing helps control this problem.
- Crazing is a network of small scratches that can penetrate the entire depth of the color coat. Wax and polish stick in these cracks and cause streaks. Use of a rubbing compound before washing can restore these areas.
- Discoloration is caused by chemical reactions between the paint and contaminants in the air. On metallic colors, the condition may be caused by acid rain. On solid colors, specific pigments may be affected by contaminants. Frequent washing helps minimize this damage.
- Water spots, small rings or dots that appear where water has evaporated, are common to all finishes. A chemical reaction between sunlight and paint may make the spots appear to be etched in the paint. Light spotting can usually be rubbed out and corrected with polish.
- Etching is a severe form of spotting and occurs when the entire paint surface within a water spot is eaten away. It is caused by bird droppings, insect residues, and road tar. The best protection is washing and waxing.

Considering all the benefits DIYers can gain by washing their vehicles, and all the problems they can prevent by doing so, it just makes sense to merchandise this powerful product category to the maximum. ■

PRODUCT CATEGORY REVIEW

SUSPENSION PARTS

The move to front wheel drive has changed front end parts sale patterns.

A couple of decades ago only a few upmarket cars had front end drive. Today, front end drive is the suspension of choice for most car drivers, who point to better traction in snow and ice as one of itsbenefits. Car makers like the way front end drive cars can be made smaller, more fuel efficient.

All of this, however, has changed the way DIYers buy and install their own front end parts. *Changed* is the key word, since the adaption of front end drive hasn't ended sales to DIYers, but has changed what they do. It's still a big market, and getting bigger. Today, *AM* estimates the market for front end parts at about $1.4 billion annually.

The smart retailer, who wants to get his share of this gigantic market, has to know both who's buying front end parts, and what he's buying.

Who's Buying

The first part, who's buying, can be determined by recent studies. According to the 1988 *Automotive Marketing Consumer Automotive Repairs Study (CARS)* (March, 1988), the typical DIYer who purchased and installed one front-end product, the CV-joint, was male, 25- to 34-years-old, making less than $30,000 in household income annually, and responsible for maintaining two or more vehicles. Most appearance chemical purchasers and installers work one to five hours a month on automotive DIY.

The vast majority of DIYers most frequently buy CV-joints in automotive parts stores, although a few return to their car dealers to make the purchase. "Force of habit" is the reason most CV-joint purchasers and installers bought the product where they did. A significantly large number, however, simply went to a place that they thought was the only place to get the type of CV-joint they needed.

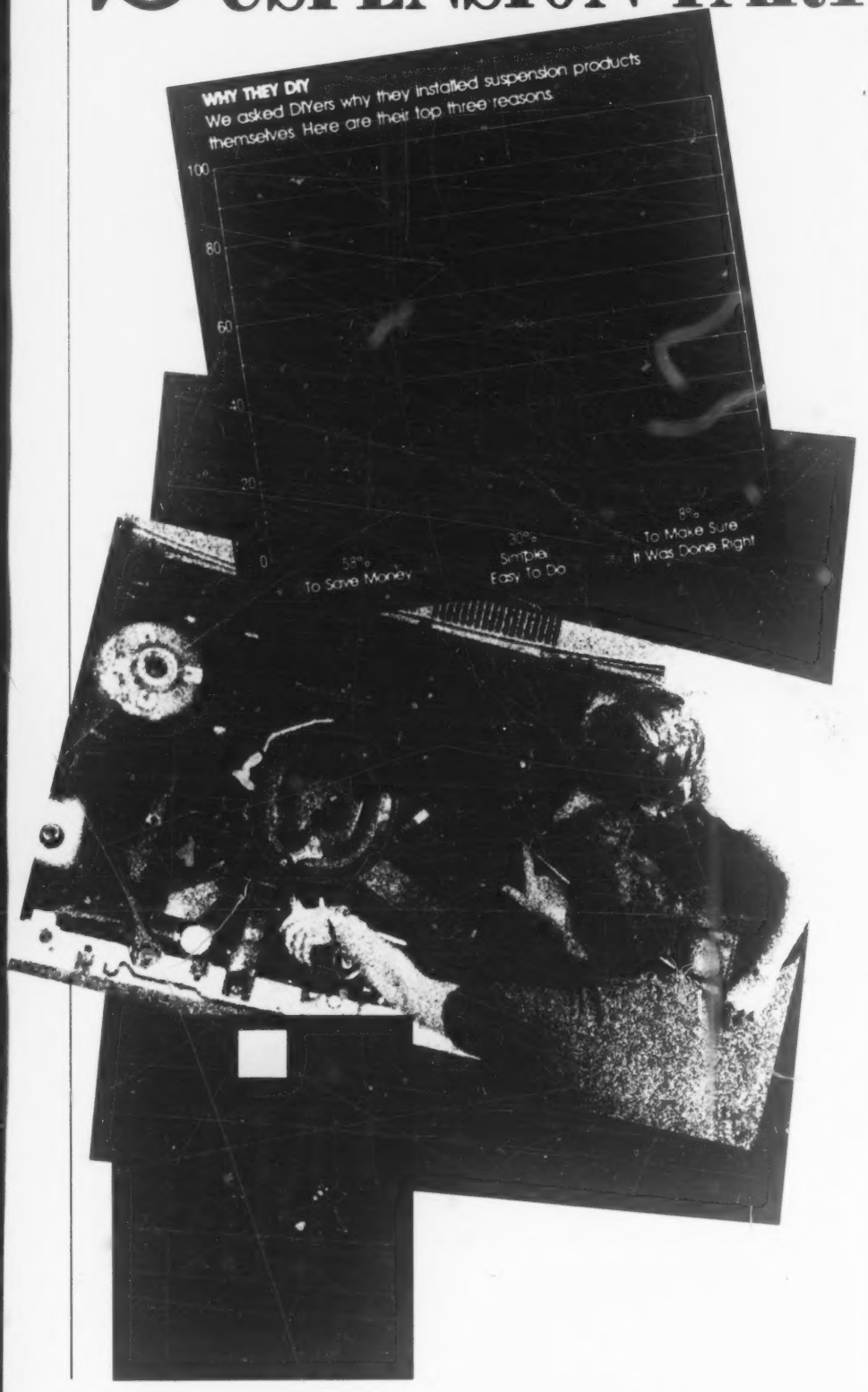
What They're Buying

There are a number of different front end products to stock and sell. Among them are:

- Springs. Springs are usually replaced when broken. However, DIYers should check them by measuring the vehicle's chassis height and comparing the result to the OE height specifications. If too low, the springs should be replaced – as pairs. As well, DIYers are often interested in improving their car's handling and ride by using springs of a better quality

PRODUCT CATEGORY REVIEW

SUSPENSION PARTS



than the OE springs.

- CV-Joints. Most DIYers already know their front wheel drive cars use CV-joints, which have replaced the universal joints used on rear wheel drive. What some of them don't know is that the CV-joint boot has to be checked to see that it isn't cracked or broken. Replacing such a boot is a much cheaper—and easier—job than replacing the entire joint. Inspection involves checking the boots to see if they are cracked or leaking fluid in any way.
- Bushings. Control arm bushings are the inner pivot points for the control arms. DIYers should check rubber bushings visually for signs of movement, cracking, off center condition, or distortion. Metal bushings should be checked for seal condition, noise that indicates internal friction, and looseness. Strut rod bushings are mounted between the strut rod and frame and should be checked visually. Sway bar bushings anchor the bar to the vehicle frame and the control arms on either side. These, too, require visual checking.
- Steering Linkage. The DIYer should check pivot points for looseness which can cause tire tread to wear too quickly.
- Idler Arms. Idler arms should be checked by rocking them up and down, in the center link, as vigorously as possible. If they rock too easily, they should be replaced.
- Pitman Arms. Pitman arms are checked both in the same way as idler arms and by rotating the steering column that shows any movement between the stud and housing bowl.
- Steering Dampers. Steering dampers, which are actually horizontal shock absorbers, should be checked visually for good mounting point condition and leakage, as well as potential dents in the cylinders.
- Tie Rod Ends. The DIYer should rock the tie rod vigorously to see if it's too loose and should be replaced.

There's no doubt that these front end parts are the stuff of serious DIY work. But, replacing them can be rewarding for the serious DIYer and profitable for the retailer. So, there's every reason to educate your customers into doing their own front end repair and replacement work.■

APPEARANCE CHEMICALS

PRODUCT CATEGORY REVIEW

For fast sales growth, look to appearance chemicals.

Appearance chemicals will remain the fastest growing industry segment (among all automotive chemical products)," according to a recent report on the automotive chemical market released by The Freedonia Group, Cleveland, OH, "spurred by slower motor vehicle turnover and more convenient-to-use products with superior performance characteristics."

Indeed, the appearance chemicals market, even after excluding waxes and polishes, is growing at a significantly faster rate than the rest of the aftermarket. According to Freedonia, the vinyl protectant market will grow some 8% between now and 1991, while sales of other appearance chemicals (excluding wax and polish products) will grow almost as much as 7.6%.

When this is combined with the Freedonia Group's observation, in the same report, that the "greatest opportunities for automotive chemicals are anticipated in the do-it-yourself market," you have a solid rationale for putting together a major appearance chemical merchandising program.

Who's Buying

Such a program has to be focused on the appearance chemical/protectant DIYer. According to the 1989 *Automotive Marketing Consumer Automotive Repairs Study (CARS)* (March 1989), the typical DIYer who purchased and installed appearance chemicals/protectants was male, 25- to 34-years-old, made more than $40,000 in household income annually, and maintained two vehicles.

Most appearance chemical purchasers and installers work one to five hours a month on automotive DIY. Almost three quarters of all of these DIYers bought appearance chemicals for a car, rather than a light truck, van, or utility vehicle.

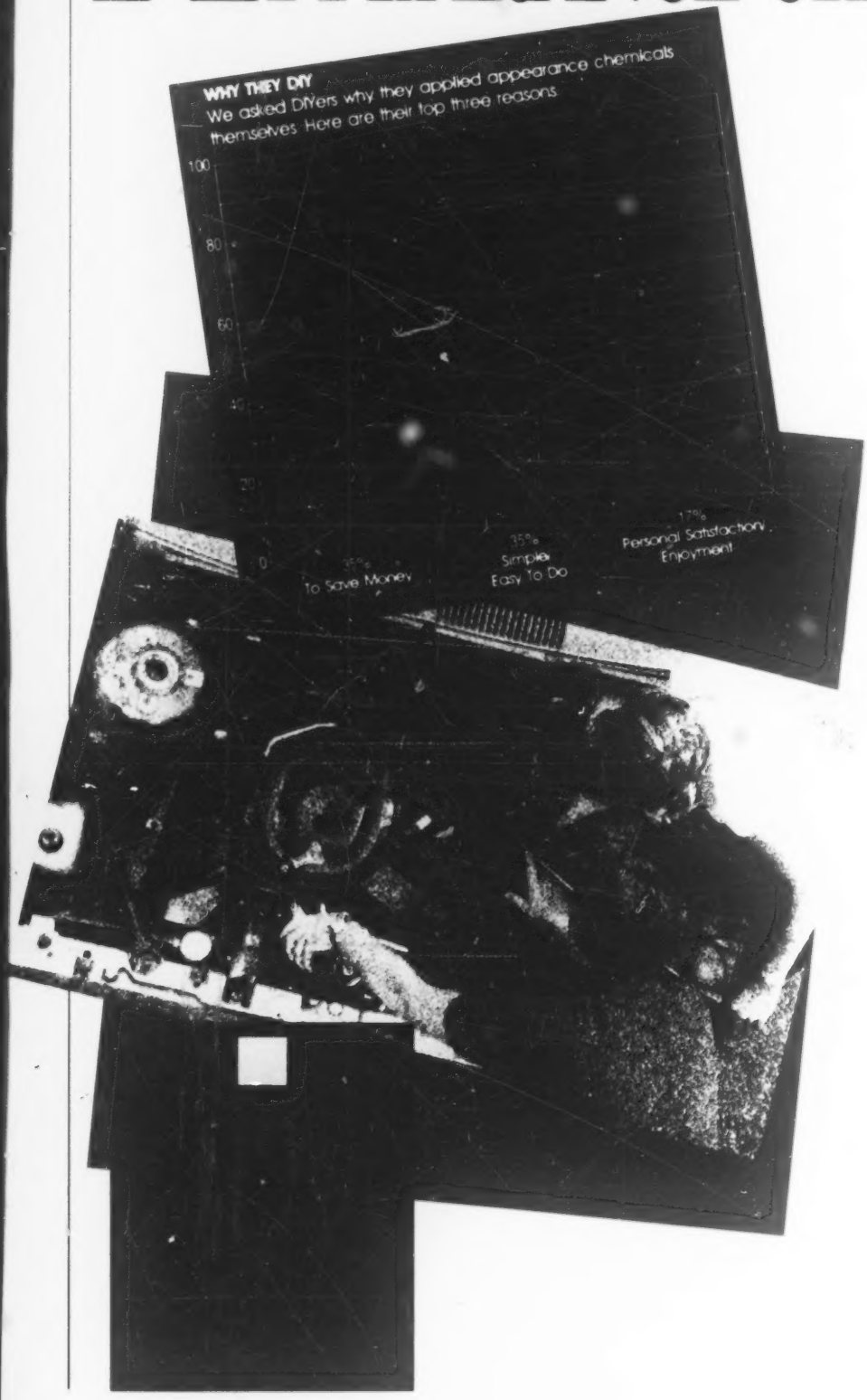
Men most frequently buy appearance chemicals/protectants in automotive parts stores, while women tend to split their purchases between auto parts stores and discount stores. "Price" is the reason most appearance chemical/protectant purchasers and installers bought the product where they did. A significantly large number, however, simply went to a place that was convenient to make their purchases.

What They're Buying

After excluding waxes and polishes,

PRODUCT CATEGORY REVIEW

APPEARANCE CHEMICALS



there are still many appearance chemical/protectant products that DIYers want. Among them are:

- Car Washes. These come in a variety of forms, but two of the most common ones are liquids that are mixed in water to form a washing liquid, and pre-packaged liquids that are used in automatic car-washing equipment. Modern car washes combine tough cleaning agents with chemicals designed to protect today's new-car finishes. That's an important selling point to stress, since other cleaners such as dishwasher detergents, which some DIYers may be tempted to use, don't offer all these benefits.
- Tire Cleaners. Getting the muck and tar off tires requires special appearance chemicals. Whitewall cleaners are also available.
- Chrome Cleaners. Both cream and liquid chrome cleaners are now available. Both do an excellent job of restoring new-car shine to bumpers and trim.
- Wire Wheel Cleaners. Those spokes on wire wheels are especially hard to clean and special products are available to make them look new again.
- Vinyl Cleaners. Virtually every car's dash top is made of vinyl and, on top of that, thousands of cars on the road have full or partial vinyl roofs. This material requires individualized types of cleaners.
- Vinyl Protectants. Along with cleaners, the typical DIYer should also buy protectants which will keep vinyl looking new, although subjected to hot sun rays and acid rain. Some makers offer vinyl chemicals that combine cleaning and protectant qualities. Vinyl cleaners are usually also good on rubber, plastic, plexiglas, and leather. One maker says that the vinyl protectant market is growing at the rate of 18% annually, making it one of the best appearance chemical sellers.
- Exterior Blackout Treatment Cleaners. With the black "Eurolook" still popular, several cleaning products especially designed for blackened car parts are now available.

Your store should offer and merchandise all of these appearance chemical/protectant products in order to take advantage of the line's booming sales. ■

COOLING SYSTEM PARTS

PRODUCT CATEGORY REVIEW

Cooling system parts are easy to replace, and easy to upgrade.

Engines produce more heat than power. In fact, only about a third of an engine's energy output is used to run the vehicle; the rest of the energy output is heat. And that heat must be dissipated by the vehicle's cooling system, or the engine is harmed.

And there is more engine heat today than ever before. Small, fast, hot-running engines and heat-producing catalytic converters mean that the main trend for cooling system parts is one of faster parts wear-out. No wonder the market for cooling system parts is so strong. In 1987, retail sales of all cooling system parts were at about $1.9 billion, according to the Lindsey-Kaufman Co., Tenafly, NJ. The same firm predicts an annual average growth rate of 4% for all cooling system parts through 1990.

The Parts & The DIYers

All of the standard parts involved in the cooling system – thermostats and housings, radiator and heater hoses, clamps, heater valves, radiators and heater cores, water pumps, drive belts, temperature sending units, plus antifreeze/coolant, rust inhibitors and other additives – are all easily and actively replaced by DIYers.

For instance, *Automotive Marketing's 1989 Consumer Automotive Repair Study (CARS)* (March 1989) found that cooling system parts work was the 10th most popular DIY job among those interviewed.

CARS found that 90.1% of cooling system parts DIYers were male, while only 9.9% were female. Some 34.5% were 25- to 34-years-old, another 22% were 35- to 44-years-old.

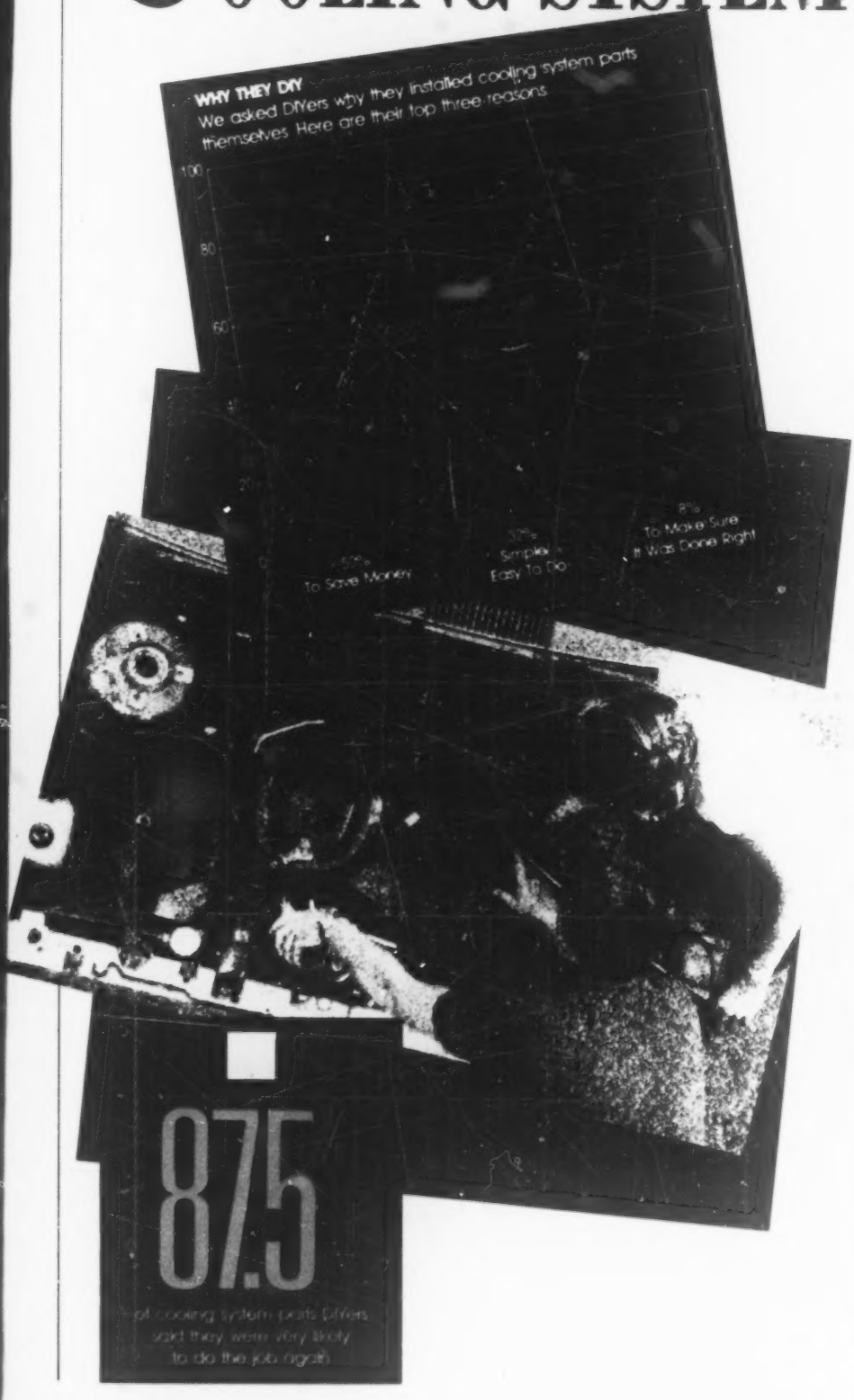
Most of these DIYers, 73.2%, bought cooling system parts at automotive stores and 46% said they made their purchase where they did because of price.

That same study found that DIYers of all income levels spend money on products for their vehicles' cooling systems. Some 27.8% of these DIYers have household incomes of less than $20,000 annually. Another 24.3% have incomes of $20,000 to $30,000 annually while 24.4% have incomes of more than $40,000 annually.

Perhaps the across-the-board spending on this system has to do with the fact that 41.5% of cooling system DIYers maintain two vehicles and 34.9% maintain three or more. And, 42.2% said their DIY involvement was increasing.

PRODUCT CATEGORY REVIEW

COOLING SYSTEM PARTS



This is all good news for retailers. The better news is, however, that there is a whole other line of DIYable upgrade cooling system parts for retailers to sell, too.

These upgrade parts include flexible radiator fans, thermal clutches, electric fan, engine oil coolers, and transmission oil coolers.

Why Do The Work?

For DIYers who do cooling system parts work, there is almost instant satisfaction. With the rare exception of a failed head gasket, leaking casting plug seal, or cracked casting, all of the work on this system is eminently doable by the DIYer. All of this stuff is either on the outside of the engine, or tucked under the dash.

Replacement of certain OEM parts will prolong the life of the cooling system and improve performance. For instance, DIYers can replace the conventional radiator fan with a flexible or variable pitch fan and save as much as ten horsepower. This fan has blades that change their angle as more air passes by them at higher driving speeds. The result is that less power is needed to run the fan at higher driving speeds, but the engine still gets the air it needs.

DIYers can also add a thermal clutch. A thermal clutch cuts out at highway speeds and whenever else it is not needed. Since the clutch keeps the fan from turning on until the engine is warmed up, engine warm up time can be cut by as much as 50%.

DIYers can also install an electric fan if their car does not already have one. Such a fan is efficient since it automatically shuts off when not needed such as at high speeds or in very cold weather. Consider this: when a car is started on a cold day, the engine works to warm up while a regular fan works to cool the engine off. An electric fan eliminates this. An electric fan can also be used with a temperature sensor inserted in the cooling system that shuts off the fan whenever the temperature drops below a predetermined point.

DIY installation of any of these upgrade parts leads to improved mileage and performance. ■

PRODUCT CATEGORY REVIEW

SECURITY

The market for automotive security devices just keeps getting bigger. Here's why.

The aftermarket security industry is booming along at about a half-billion dollars a year, and it is expected to grow at an annual rate of about 30%, according to recent studies.

There are several reason for this. The most obvious is that auto theft is on the increase. Losses from vehicle theft now top $5 billion each year, according to security products manufacturers. Automotive security devices keep that $5 billion figure from getting any bigger by effectively reducing auto theft.

A recent survey conducted by the Highway Loss Data Institute, Washington, DC, suggests that security devices do indeed deter theft. The institute surveyed the theft loss of several models equipped with factory-installed security devices and compared the losses with those of the same models without security systems. The study found that theft claims for the protected cars were 11- to 30% lower than for unprotected cars. Many experts believe aftermarket security devices offer the same level of protection to the DIYers who install them.

Another reason for sales growth in thisproduct category is that insurance companies are beginning to recognize the value of these devices. Most of the major auto insurance companies offer 10% to 15% discounts on comprehensive coverage to customers who equip their vehicles with approved security devices, according to the American Insurance Services Group, Washington, DC.

And finally, the devices – with their increasingly sophisticated electronic capabilities – offer both personal protection and creature comfort to an increasingly gadget-happy, up-scale customer.

Electronic Accessories & DIYers

This product category includes security devices as well as horns, radios, tape and CD decks, speakers, gauges, cruise controls, trip computers, car phones, electrically-operated seats, electric window mechanisms, window heaters, and other accessories which draw upon the car's electrical system.

And while we do not have any "hard numbers" on the types of people who buy and install aftermarket security devices, we can draw some conclusions based on the DIY activities of electronic accessories installers.

Both security devices and other accessories are electronic (except for the me-

20.1%
of DIYers who purchased & installed electronic accessories are heavy DIYers who work 11 or more hours a month on automotive DIY

PRODUCT CATEGORY REVIEW

SECURITY

chanical security devices such as bars, lock, etc.) and therefore require a certain level of DIY confidence to install. Both types of products generally come with detailed instructions to help build that confidence. And, finally, both types of products tend to be big ticket items, items purchased with discretionary dollars. Since the products are similar in these respects, let's take a look at the electronic accessory purchaser and installer.

Who Is That DIYer?

Automotive Marketing's 1989 Consumer Automotive Repair Study (CARS) (March 1989)found that 89.2% of electronic accessory DIYers were male, while 10.9% were female. Some 37.2% were 25- to 34-years-old, another 33.7% were 35- to 44-years-old. As for the rest, 16.7% were younger than 25-years-old, 8.9% were 45- to 54-years-old, and 3.6% were 55-years-old or older.

That same study found that these DIYers have money to spend on big-ticket items like electronic accessories and security devices. Some 34.7% have household incomes of $40,000 or more annually while another 20.5% have incomes of $30,000 to $40,000 annually. Another 18.9% have annual incomes of $20,000 to $30,000, while 17.5% have incomes of less than $20,000 annually.

Electronic Accessory Installation

Security devices and all electronic accessories use an electric current for operation. And all of them must be turned on and off. When they turn on and off, they can produce electro-magnetic interference (EMI). That is, they produce a radio signal which can be picked up by the on-board computers in today's cars. This can alter the action of these computers.

This is less of a problem when there is one computer in the car. But some cars have many computers. And, there is less of a problem when the accessory is of low power which limits the signal emitted. And there is less of a problem when wires can be routed safely away from the microprocessors, and away from the wires which send them signals. Luckily, security device manufacturers include detailed instructions to help DIYers avoid these installation problems. ■